

# OSWEGO COUNTY ECONOMIC DEVELOPMENT NEWS BRIEFS

OPERATION OSWEGO COUNTY INC.-- AN ECONOMIC AND JOB DEVELOPMENT CORPORATION SERVING OSWEGO COUNTY, NY

## Former International Paper Plant Sold, To Be Redeveloped for Commercial Use

EJ Spirtas Group of St. Louis, MO acquired the former International Paper facility located on Mitchell St. in Oswego. The lake-front purchase includes 55 acres of property with 164,000 square feet of warehouse space with rail and truck docks, a 16,000-square foot office building, and a 450,000-square foot, two-story manufacturing facility.

The company plans to redevelop the facility for manufacturing, warehousing and other commercial uses. The facility will be renovated to meet any tenant needs and the 300,000 square foot mill building will be demolished.

"The property is fully equipped with the necessary infrastructure to set up heavy manufacturing, while it is also adaptable to assembly and warehousing if needed," said Eric Spirtas, president of EJ Spirtas Group. "EJ Spirtas Group fully intends to take the steps that will entice locally-needed jobs. We will continue to work with local, state and federal agencies and officials to enhance the site in order to attract local, regional and national users of this type of property."

"We are excited and encouraged that EJ Spirtas Group has decided to purchase and market this important property in Oswego," said City of Oswego Mayor John Gosek. "I am confident that with Eric Spirtas' expertise in management and redevelopment, the plant will be up and running very soon."

"Since the plant closed, Operation



*Former International Paper facility located on Mitchell Street in Oswego.*

Oswego County has partnered with the City of Oswego Community Development Office to aggressively market the property," said L. Michael Treadwell, CECD, executive director of Operation Oswego County. "We are fortunate that EJ Spirtas Group realized the tremendous potential of this plant and has committed its resources to redevelop the property and create new jobs."

"This is a great opportunity for Oswego County to continue the growth of its manufacturing base. We look forward to working with EJ Spirtas Group as an active community and business partner," said Russ Johnson, Chairman of the Oswego County Legislature.



## Fulton Co-generation Plant Acquired

Lion Capital Management Group (LCM), its partner Fimab and Promeneur & Hausmann, Inc. and El Paso Merchant Energy North America Company reached a definitive agreement for LCM to own and operate the Fulton Cogeneration Association, L.P. (FCA), a subsidiary of El Paso Power Merchant of Houston, Texas.

The cogeneration plant is a 45-megawatt, natural gas-fired, combined-cycle power plant facility located in the city of Fulton.

Currently, the plant is dispatched as a

*Continued on pg. 2*

### *Co-generation Plant Acquired continued...*

merchant facility by El Paso, selling its output into the NYISO Central Zone via an interconnection to Niagara Mohawk Power Corporation.

The plant specializes in producing electricity and steam for businesses throughout Oswego County.

"Being able to bring not only a consortium of cocoa producers as direct investors to the business of manufacturing fine chocolate with the already trained labor available at the oldest milk chocolate manufacturing plant in North America, but to also acquire a major power plant in the region, is truly the dream of every manufacturer," said Dr. Ousmann-Alain Gbané, principal and chief investment officer of LCM.

According to Gbané, of all the transactions LCM has made within the last few months, the latest may be the most pivotal to the success of its investment in the New York Chocolate & Confections Company.

"The sale of the cogeneration facility to Lion Capital Management Group, parent company of New York Chocolate &

Confections Company, may become very beneficial to the city of Fulton if the company decides to produce electricity," said City of Fulton Mayor Daryl Hayden.

The cogeneration plant was originally installed in late 1990 to produce electricity with a \$48,500,000 County of Oswego IDA bond currently held by a subsidiary of LCM as a result of this transaction with a balance of \$18,700,000.

The purchase of the cogeneration facility will not only allow the New York Chocolate & Confections Company to use steam in running the former Nestlé facility, but also could potentially benefit other manufacturing plants and hospitals in the area.

"The involvement of LCM in this project helps strengthen the long-term development of New York Chocolate & Confections Company in Fulton. Also, the potential of business relations with other current and prospective employers, such as Northeast Biofuels, is a tremendous asset for growing the local economy," said L. Michael Treadwell, CEcD, executive director of OOC.

## Economic Development Updates:

**Alcan, Inc.** announced that the publicly-traded company to be created in the spin-off of its aluminum rolled products business will be called Novelis.

Pending governmental and shareholder approvals later this year, Novelis will begin operations as an independent company on Jan. 1, 2005. Novelis will be the world's largest aluminum rolled products company.

**Wise Buys Stores, Inc.** announced plans to open a new store in the former Ames Department Store location in Hamilton, NY. The 43,000-square foot store will feature a Payless Shoe Source, Kay-Bee Toys and Hobby Shop outlet.

The Hamilton store will be the fifth for

Wise Buys which now has locations in former Ames stores in Canton, Tupperlake, Gouverneur and Pulaski.

The store will employ 40-50 people.

The Northeastern Economic Developers Association recently recognized **Operation Oswego County** with an award of excellence for its website [www.oswegocounty.org](http://www.oswegocounty.org).

The recognitions are awarded each year to economic development organizations throughout the northeastern U.S.

"We are proud that our marketing materials have met the test of our economic development colleagues," said L. Michael Treadwell, CEcD, OOC executive director.

## Talent Retention and Attraction Discussed at Public Issues Forum



*Rebecca Ryan discusses how to attract and retain young professionals in Oswego County.*

The Workforce Development Board of Oswego County, Operation Oswego County and SUNY Oswego co-hosted a public issues forum in October titled "What's Cool About Oswego County: Economic and Workforce Issues Today and Tomorrow."

Featured speaker was Rebecca Ryan, president of Next Generation Consulting, Inc. (NGC). Ryan discussed the findings of a recent study conducted to determine how Oswego County can attract and retain young professional employees.

Throughout August and September, NGC conducted a series of focus groups and interviews with young professionals to gauge their ideas on what makes Oswego County competitive.

During the public issues forum, Ryan presented the resulting "handprint" of Oswego County, which profiled how the area scored in the seven indexes that are considered important to young professionals: vitality, earning, learning, social capital, cost of lifestyle, after hours, and around town.

The strategic planning initiative will culminate with the publication of a five-year workforce development plan expected this winter.

## Loan Term Extended for Linked Deposit Program

The term for reduced rate interest borrowing under New York State's Linked Deposit Program was recently extended from two to four years. The new provision takes effect Nov. 1, 2004.

The Linked Deposit Program is a public-private partnership, administered by Empire State Development, which provides companies with affordable capital based on bank loans at reduced interest rates and subsidized by corresponding "linked" state deposits.

Since 1994, the Linked Deposit Program has funded more than 1,900 projects for a total of nearly \$659 million, leveraging more than \$1.4 billion in new capital investment by businesses in the state.

Since the program's inception in 1993, a reduced interest rate was provided to borrowers for a period of two years. The maximum amount permitted for a linked deposit is \$1 million. Under the new guidelines, a company that receives a two percent reduction on a \$1 million linked deposit for four years will realize an interest savings of \$80,000 on its loan. That \$80,000 will improve the company's cash flow and provide funds for new jobs, training, marketing, and more. There is no minimum loan amount.

Eligible businesses can obtain loans from commercial banks, savings banks, savings and loan associations, farm credit institutions, and the New York Business Development Corporation at an interest rate that is two or three percentage points lower than the prevailing rate on such loans, thereby making borrowing less expensive.

For more information, visit [www.nylovesbiz.com](http://www.nylovesbiz.com), or call the Linked Deposit Program office at (518) 292-5261.

## OPERATION OSWEGO COUNTY BUSINESS ASSISTANCE

*Operation Oswego County offers an array of business assistance services to both new and expanding companies throughout Oswego County*

**Northeast Biofuels, LLC** will acquire a 90-acre subdivision of Riverview Business Park in Volney for a 100-million-gallon-per-year ethanol production facility. The \$148 million project will include retrofitting approximately 300,000 square feet of the existing building and the construction of two grain silos and one cooling tower. The project will create 51 jobs;

**Matangi Motels, LLC** acquired the Days Inn in the city of Oswego. The 44-room motel will be upgraded through building renovations and new furniture and fixtures. The project will create 15 jobs. Funding for the \$1.6 million project will be provided by the Oswego CDO, Oswego County National Bank, County of Oswego IDA and an SBA 504 loan through OOC;

**Attorney Christopher Richmond** will renovate a building in the city of Oswego to establish a law practice which will focus specifically on worker's compensation. The building will be developed with state-of-the-art computer and electronic conferencing capabilities. Funding for the project will be provided by the Oswego CDO, PathFinder Bank, County of Oswego IDA and an SBA 504 loan through OOC; and

**Modheshwari Motels, LLC** acquired and will renovate the 47-room Thomas Inn in the city of Oswego which will be franchised as a Scottish Inn. The \$1.3 million project will create 13 jobs and will receive funding assistance from the Oswego CDO, Oswego County National Bank, County of Oswego IDA and an SBA 504 loan through OOC.

## OOC Named to CNY Regional Development Alliance

Members from 12 counties were recently named to a new Regional Development Alliance intended to help Central New York compete as a larger "super region."

The 23-member group is comprised of individuals from a variety of economic development, business and academic institutions across the region.

Participating counties include Cayuga, Cortland, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, St. Lawrence, Seneca and Tompkins.

Representing Oswego County are Operation Oswego County Executive Director L. Michael Treadwell and Laser Transit CEO and OOC Board President George Joyce.

Alliance members will be responsible for:

- Identifying issues for regional cooperation;
- Developing and branding a regional identity;
- Fostering a cooperative regional consciousness;
- Identifying champions for specific projects and recommendations; and
- Promoting the goals and recommendations laid out within the Essential New York Initiative.

The group will meet several times each year to establish regional priorities.







**Operation Oswego County**

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**Operation Oswego County** is a unique organization working to enhance and protect the business and industrial climate of Oswego County and its diverse communities.

To achieve that goal, we provide comprehensive assistance to both local businesses and industry seeking to locate in our county.

To our business clients, OOC means opportunities for expansion, relocation, better business climate, and even for survival that may not otherwise be possible.

To the people of Oswego County, OOC means new job opportunities, broader real property tax bases, and a better economic future for all.

Since our inception, we have helped deliver \$2.4 billion in investments and over 15,000 new and retained jobs to Oswego County.

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